

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4616-03
BILL NO.: HB 2145
SUBJECT: Children and Minors; Education, Elementary and Secondary; Health Care
TYPE: Original
DATE: April 17, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$439,746)	(\$527,484)	(\$537,690)
Total Estimated Net Effect on <u>All</u> State Funds	(\$439,746)	(\$527,484)	(\$537,690)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Elementary and Secondary Education (DES) officials state the proposal allows school districts to exclude children from enrolling in school if they have not had a health assessment. Children excluded from enrolling may not be counted for purposes of the formula, therefore there is a potential for an impact to the school aid formula. However, the impact is expected to be negligible. Therefore a "\$0 to minimal" impact is provided for purposes of this fiscal note.

Officials from the **Department of Health (DOH)** assume this proposal would allow DOH to reimburse local health agencies or other health facilities for physical assessment of children ages 5 - 10 years of age on a fee-for-service basis. This would require additional personnel and equipment. For the MCFH Fiscal Services Support Unit to process 8,000 claims and payments, an additional .5 FTE Account Clerk would be needed. Additional expense to DOH would include 1 FTE HPR III (Program Manager) for initial start-up research and development of procedures and systems, and then costs associated with implementation, administering and monitoring the program on an on-going basis. Other duties would include developing, revising and finalizing rules, and responding to public comment. An additional .25 FTE CT II would also be needed for clerical support to support the program by providing photocopying, preparing mailings, handling correspondence, scheduling meetings and monitoring visits, organizing and maintaining paper and electronic files.

Oversight assumes that DOH would need .5 FTE Account Clerk and .25 FTE Clerk Typist II to process the claims and payments.

DOH assumes all school districts, Local Public Health Agencies and health facilities providing the screening assessments in the state would be monitored for compliance. Associated costs would also include printing and distribution expense for the procedures and forms (claim form), and mailing costs.

DOH also assumes there would be reimbursement for approximately 8,000 exams per year (based on 64,800 kindergarten enrollment 1999-2000 school year and approximately 12% of children uninsured or under-insured). If the exam is standardized to be equivalent to HCY exam, reimbursement should be \$60 per exam, which could cost \$480,000. DOH assumes Local Public Health Agencies would complete 80% of the screening exams (8,000 exams X \$60/exams X 80% = \$384,000). The remaining 20% would be completed by other health facilities (8,000 exams X \$60/exam X 20% = \$96,000). The current proposal is for a screening assessment.

ASSUMPTION (continued)

Officials from the **Columbia/Boone County Health Department** assume (1.) based on discussion with Boone County schools, there are an estimated 1,875 children under age 11 that would require a health assessment annually, and (2.) cost estimate per child for the health assessment is \$50/child and includes cost for hemoglobin/hematocrit and urinalysis. The majority of the expense is in staffing costs.

Based on these two factors and assuming that all children would be assessed by the Health Department, estimated costs would be \$93,750 for the service. Not included in that figure are one time costs associated with equipment that would need to be purchased. These one time costs would total \$10,945 (PFT machine - \$5,000; Hemoglobinometer - \$3,000; Titmus Vision Screener (pediatric model) - \$1,645; and Microscope - \$1,300).

The above information is based on all children being seen by the Health Department. One would assume that many parents would take their child to their own physician or health care provider which would reduce the total number seen.

Regarding revenues - Implementing this new service without additional revenue and using existing resources would result in the necessity to eliminate other essential public health services currently provided to residents of Columbia / Boone County. Officials from Columbia / Boone County assume the city and county simply do not have the staff to take on a program of this potential magnitude without additional funding. Given that the City of Columbia and Boone County currently provide public health funding far above and beyond the state grant funds, it would be a serious burden on local government. Sliding scale fees could be collected, but would likely not cover even 50% of the costs of the program.

Of additional concern locally is space limitations. If these assessments were provided in the Health Department facility, there is inadequate space to provide this service without eliminating some other clinical service. If staff were to provide the service at the local schools, there would be additional travel time and the necessity to transport equipment, supplies, etc. to multiple sites throughout the county.

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<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

Costs - Department of Health

Personal services (.75 FTE)	(\$14,193)	(\$17,465)	(\$17,902)
Fringe benefits	(\$4,364)	(\$5,370)	(\$5,505)
Expense and equipment	(\$101,317)	(\$109,129)	(\$112,402)
Local assistance	<u>(\$319,872)</u>	<u>(\$395,520)</u>	<u>(\$407,386)</u>
Total <u>Costs</u> - Department of Health	<u>(\$439,746)</u>	<u>(\$527,484)</u>	<u>(\$537,690)</u>

**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

<u>(\$439,746)</u>	<u>(\$527,484)</u>	<u>(\$537,690)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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Income - Counties, Municipalities

Transfer from Dept. of Health	\$319,872	\$395,520	\$407,386
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Cost - Counties, Municipalities

Health Screenings (8000x\$60 x80%)	<u>(\$319,872)</u>	<u>(\$395,520)</u>	<u>(\$407,386)</u>
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**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENT**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Beginning September 1, 2001, each student up to the age of 11 who has not previously been enrolled in a public school in the state is required to present a health assessment, as defined by the bill, completed within the previous 12 months before being admitted to school. A student who does not have a current health assessment may present a signed parental statement that such an assessment will be completed within 90 days from admission. Students whose parents

DESCRIPTION (continued)

complete a statement that they have religious objections to such an assessment are exempt. Such assessments are confidential information; the bill sets out 4 conditions under which some or all information may be disclosed. The bill specifies a procedure for notifying potential students of the assessment policy and for transfer of health assessments with student records. Local health departments and facilities may charge sliding fees for the assessments; however, no student will be denied a health assessment for inability to pay.

The Director of the Department of Health may adopt administrative rules to award grants to assist local health departments in providing assessments and other regulations necessary for implementing the bill, but the director is prohibited from prescribing a particular form for the assessment. School district boards and, by district policy, certificated personnel or a committee of certificated personnel may exclude students who lack the health assessment from attendance, and school boards may adopt additional health assessment requirements.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Health
Columbia/Boone County Health Department

NOT RESPONDING: Clay County, Platte County, Marion County, Greene County, Pettis County, Jackson County Executive, St. Louis County - Director of Administration, St. Charles County Executive, Cape Girardeau County



Jeanne Jarrett, CPA
Director
April 17, 2000